

JM:STH:WMP
F.#2008R00726

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- - - - -X

UNITED STATES OF AMERICA

I N F O R M A T I O N

- against -

Cr. No. 09-032 (JG)
(T. 18, U.S.C., §§ 1349
and 3551 et seq.)

JAMES BENNETT,

Defendant.

- - - - -X

THE UNITED STATES ATTORNEY CHARGES:

INTRODUCTION

At all times relevant to this Information, unless
otherwise indicated:

The Stock-Loan Business

1. In the securities industry, financial institutions and their customers frequently engaged in transactions that required them to borrow securities from other financial institutions. In a typical stock-loan transaction, the lending institution and the borrowing institution established several financial terms for the stock-loan transaction. These terms typically included: (a) the form of collateral to be posted by the borrower, which was often cash; (b) the amount of the collateral, which was typically based on the market value of the

securities being borrowed; and (c) the fees and other payments, known as "rebates," that the parties would make to each other in connection with the transaction.

Stock-Loan Finders

2. Stock-loan finders were entities that were in the business of facilitating stock loan transactions in exchange for fees. Most finders were not registered broker-dealers. Borrowers and lenders typically paid the finder's fees from the fees, rebates and negative rebates that they earned in connection with the particular stock-loan transaction.

The Defendant and Relevant Entities

3. In or about and between December 1993 and March 2005, the defendant JAMES BENNETT held himself out as a stock-loan finder through his firm Bearcat Financial Services, Inc. ("Bearcat").

4. Raymond James & Associates, Inc. ("Raymond James") was a broker-dealer of securities registered with the United States Securities and Exchange Commission, the National Association of Securities Dealers and the New York Stock Exchange. Its principal place of business was 880 Carillon Parkway, St. Petersburg, Florida 33716.

5. In or about and between December 1998 and December 2006, a corrupt stock-lending representative (the "Corrupt Stock-Loan Trader") worked in the securities lending department at

Raymond James. As an employee of Raymond James, the Corrupt Stock-Loan Trader owed Raymond James a duty of honest services and was required to make business decisions in the best interests of Raymond James, without regard to his own or his family members' personal gain. The Corrupt Stock-Loan Trader's responsibilities included, among other things, borrowing and loaning securities on behalf of Raymond James.

The Fraudulent Scheme

6. In or about and between December 1998 and March 2005, the defendant JAMES BENNETT and the Corrupt Stock-Loan Trader agreed that the Corrupt Stock-Loan Trader would cause Raymond James to pay Bearcat finder's fees in connection with transactions involving certain securities (the "Subject Securities") in instances in which neither Bearcat nor BENNETT had performed any legitimate finder services. In exchange, BENNETT would transfer a portion of the funds from these sham finder fees to the Corrupt Stock-Loan Trader and certain members of the Corrupt Stock-Loan Trader's family. The Corrupt Stock-Loan Trader and BENNETT entered into this agreement without the knowledge or approval of Raymond James.

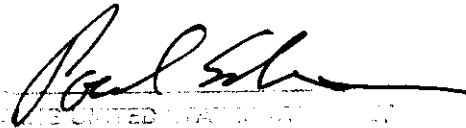
CONSPIRACY TO COMMIT SECURITIES FRAUD

7. In or about and between December 1998 and March 2005, both dates being approximate and inclusive, within the Middle District of Florida and elsewhere, the defendant JAMES

BENNETT, together with the Corrupt Stock-Loan Trader and others, did knowingly and intentionally conspire to execute a scheme and artifice to defraud Raymond James and others in connection with securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934, specifically, the Subject Securities, and to obtain money and property from Raymond James and others by means of materially false and fraudulent pretenses, representations and promises, and to deprive Raymond James of the intangible right of honest services of its employee, the Corrupt Stock-Loan Trader, in connection with purchases and sales of securities of issuers with a class of securities registered under Section 12 of the Securities Exchange Act of 1934, specifically, the Subject Securities, contrary to Title 18, United States Code, Sections 1348 and 1346.

(Title 18, United States Code, Sections 1349 and 3551
et seq.)

BENTON J. CAMPBELL
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK



UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

No.

09 CR 032 (JG)

UNITED STATES DISTRICT COURT

EASTERN District of NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

JAMES BENNETT,

Defendant.

INFORMATION

(T. 18, U.S.C., §§ 1349 and 3551 et seq.)

A true bill.

Foreman

Filed in open court this _____ day,

of _____ A.D. 20 _____

Clerk

Bail, \$ _____

Winston M. Paes, Assistant U.S. Attorney (718-254-6023)